

"Being good is good for business," says C K Venkataraman in the 300th EDGE Webinar



May 12, 2021, was a special day and a major milestone for EDGE webinars: the 300th EDGE Webinar was conducted by C K Venkataraman, MD of Titan Company. Through his invigorating address in the Leadership Series EDGE Webinar, Mr Venkataraman dwelled on how the organisation has interacted with multiple stakeholders over its history and particularly during the pandemic. The webinar drew **664** participants from **60** Tata companies. Some snippets from this webinar are given below.

Business performance beyond profits

The business world has begun focusing on aspects other than shareholder profits when measuring business performance since the turn of the century. A whole new paradigm of capitalism has emerged where multiple stakeholder focus is considered the most sustainable way for businesses. It has given rise to various theories such as Triple Bottom Line, ESG (Environmental, Social, and Governance) analysis, performance and progress, etc.

Even before the world acknowledged the concept of multiple stakeholder values, Jamshetji Tata, Founder of the Tata Group, had recognised it when he said, "In a free enterprise, the community is not just another stakeholder in business, but the very purpose of its existence." Led by Mr Tata's values, the Tata Group has always strived to provide value to all its stakeholders, particularly the community, while pursuing shareholder value. It is perhaps one of the few corporate groups which pools the profits of all constituent enterprises together through a holding company, which in turn, through a trust (Tata Trust), directs it back to society through community interventions.

The early days

Over the years, Titan has acquired the stature of a commercial institution, which delivers equitable value to all its stakeholders — customers, employees, distributors, vendors, community, environment, government, and the shareholders.

In the late 80s, when Titan set up a manufacturing plant in Hosur, Tamil Nadu, it recruited young men and women from the neighbouring towns and villages and trained them in watch-making. Rather than hiring specialists from the cities, it invested in developing the skill levels of the local community. The move generated employment in Hosur's vicinity and created a difference in the lives of the people there. During that same period, Titan also mobilised Hosur women through women's cooperative ventures in the watch assembly domain. Later, the initiative was extended to the manufacture of jewellery. Through such initiatives, Titan enabled women to become socially and economically independent. Titan also employed over 100 specially-abled people then and provided them with every opportunity to maximise their potential.

Despite the positive changes in the retail environment, the work conditions of the workmen in the jewellery sector, traditionally called *Kaarigar* (*Craftsman*), were quite poor. Titan provided these workmen with professional and functional facilities in their Hosur plant. By investing in the infrastructure, facilities, processes, people practices, training, etc., Titan succeeded in transforming their working conditions.

A supply-chain transformation initiative promises to further revolutionise Titan's relationship with its vendors by elevating them to a standard level of maturity.

The Covid-19 test

The outbreak of the Covid-19 pandemic and the subsequent lockdown in 2020 underlines Titan's commitment towards multiple stakeholders. Even before the authorities enforced restrictions and safety protocols, Titan ensured adherence to the same in its business channel. The stores were closed ahead of government orders and the organisation focused on the safety of its employees and provided them with flexible facilities for commuting, attending office, etc. Employees were provided with pay and job protection, apart from complete hospitalisation cover for themselves and their family.

Titan also extended support by providing soft loans and grants to employees, salaries to distributor staff, financial support for franchisees, etc. The 'Titan Kanya' scheme assisted families of 25,000 girls enrolled in the 'Nanhi Kali' programme of the Mahindra Group. In addition, Titan facilitated the supply of relief material such as PPE kits, hospital equipment, food and medical supplies to migrant labourers etc.

Titan reaped handsome rewards for its good deeds, not just in terms of blessings. The company ended the year with a cash balance of over 3000 crore — the highest in the last three decades. Every stakeholder, right from the employees to franchise owners, vendor partners, customers, distributors, etc., seemed to have contributed their gratitude to Titan.

In Mr Venkataraman's opinion, Titan's exceptional financial results seemed to be a reward from the people whose lives had been touched by the company's good deeds. He was convinced that Titan's multiple stakeholder focus had delivered exceptional shareholder value.

The session ended with Mr Venkataraman answering some stimulating questions from the attendees.
